



STATE OF ARIZONA

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GOVERNOR

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May 16, 2006

The Honorable Ken Bennett
President
Arizona State Senate
1700 West Washington Street
Senate Office Building
Phoenix, Arizona 85007

Re: Senate Bill 1151: tax credits; withholding tax reductions


Dear President Bennett:

Today I vetoed Senate Bill 1151, which would have encouraged employers, upon the request of an employee, to reduce the employee's Arizona income tax withholding by the amount of the tax credit claimed by the employee based on contributions to qualified charitable organizations, public schools, or private school tuition organizations. Under the bill, employers who agree to the withholding would be required to make the contribution to the relevant organization on behalf of the employee, and could be held liable for the failure to make the full payment on a timely basis.

This bill is unnecessary. Employees already have the option to adjust their withholding percentages for any reason. Pressuring employers to reduce withholding tax amounts for specific contributions poses undue burdens on employers and their payroll service companies. Payroll management already can be complicated, and this bill could require employers to devote even more time and attention to payroll administration, which would mean less time for running their businesses.

For these and other reasons, I have vetoed Senate Bill 1151.

Yours very truly,


Janet Napolitano
Governor

JN:TN/jm

cc: The Honorable Jim Weiers
The Honorable Dean Martin